



3 1761 11968181 5

Government
Publications

November | December 2006

In this issue

- 2 WHTI will change how we do business
- 5 Working with a wealth of intelligence
- 6 CTC France reports Canada on the rebound
- 9 Develop a strategy of Olympic proportions
- 11 Tourism minister takes his portfolio seriously
- 12 Canada leads the way for travel

8 Brand Canada moves forward

The diversity and quality of our product, combined with our welcoming and inclusive culture, gives travellers the opportunity to create extraordinary stories all their own.

© Robert R. Taylor

Q1 2007 outlook cautious

The *Short-Term Markets Outlook* (STO) provides performance scenarios for Canada's major travel markets. All of the Canadian Tourism Commission (CTC) core markets are projected to show modest increases in the first quarter of the new year, with the exception of the US market which continues to slide somewhat.

The STO is a quarterly outlook of advance bookings and market intelligence, derived from the *Destination Supplier/Receptive Agent Business Outlook Survey* developed by the Canadian Tourism Research Institute on behalf of the CTC. All growth comparisons in the following summaries are reported on a year-over-year basis compared with the first quarter of 2006.

North American Markets: Canada

Domestic travel is expected to increase modestly this winter, building on the strong levels achieved last year. As a result of the sharp slowdown in US economic growth, Canadian

consumers have been feeling slightly more cautious about their own financial prospects. This prompted many Canadian travellers to adopt a "wait and see" attitude earlier this fall, but travel confidence has been gaining strength since then, buoyed by the recent decline in gasoline prices and improving household income. The high value of the Canadian dollar continues to provide a strong incentive for outbound travel, but the domestic market is expected to benefit the most from strengthening travel confidence.

Business Outlook Survey participants anticipate overall domestic travel will expand 2.9% in the first quarter of 2007, compared with a year earlier. Growth in group travel is expected to outpace other segments, climbing 4.2%, while fully independent travel (FIT) grows by 2.8%. Consequently, overall leisure travel is expected to increase 3% during the quarter. Over the same period, domestic business travel is expected to increase 2.7%, year-over-year.

US

The outlook for US travel to Canada remains subdued and is not expected to improve in the near term. Deteriorating conditions for the US housing market have resulted in a sharp downturn in the outlook for the US economy, exacerbating the declining trends in US travel demand. Overall, Business Outlook Survey participants expect a 1.5% decline in US travel to Canada during the first quarter of 2007. Group leisure travel is expected to slip 1.2%, while fully independent travel falls 2.2% compared with the previous year. As a result, overall leisure travel is expected to decrease by 2% during this period. The only segment expected to register any growth in the first quarter is business travel, which is expected to rise 1.1% over the previous year.

Canada's price competitiveness for US travellers is expected to remain relatively stable during the first quarter of 2007 – positive news, considering the 4.3% increase in the value of the Canadian dollar over the past year.



Vancouver 2010 Canada's Games

John Furlong's enthusiasm for the vision of the Vancouver 2010 Games is compelling and evident after only a few moments of conversation. Furlong is CEO of the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Games (VANOC), and he firmly believes the 2010 Winter Games in Vancouver are Canada's Games:

continued on page 4

continued on page 3

CANADIAN
TOURISM
COMMISSION



COMMISSION
CANADIENNE
DU TOURISME

Can tourism kill the penguin that laid the golden egg?

EDITORIAL

Mark Johnson of Melbourne, Australia, from an email letter to his mother: *You say you hated what they had done to both Sydney and Melbourne in the name of tourism ("Sydney to me is like a giant (fast food restaurant), everywhere plastic in yellow, blue and red. And the lovely park along the river in Melbourne is gone and replaced with concrete and glass.") Well, that is not the end of it. The little bridge onto Phillip Island is now a much bigger one, and there are still penguins there but now it's a tourist attraction; you sit on the beach and watch the poor little birds come in and walk up the beach to their burrows. Tourists go there by the busloads; the koalas are still there but they have to relocate them sometimes as they like to reproduce and eat all the available food. Tourism does that to everything, and it's all for the dollar.*

We know enough about the writer of this sad commentary to be able to say he is neither a tree-hugger, nor a culture vulture, nor a social activist. He is forty-odd

years old, drives a Harley chopper, and works hard for a living. And he would be quite surprised to learn that he has an important message for destination planners.

As research increasingly tells us consumers value authenticity and seek travel experiences that connect them with nature and local culture, we have to pay closer attention to ensuring our tourism product lives up to our brand promise. The Canadian Tourism Commission strategy of focusing on high-yield clientele makes this even more an imperative.

Moving away from mass tourism could be the best news our communities and small tourism businesses have heard during this troubled decade through which we in the tourism business have been trying to survive. More from Mark Johnson:

San-Remo is a little seaside town on the mainland side of Phillip Island, where the bridge goes over to the island. It is a lovely little town that still has that village appeal, rural and typically Australian. So far it has managed to fend off the whole tourist thing, no glittery shops selling souvenirs and all the other marketing crap. However there is a new resort being built down the road and I fear that may be the beginning of the end.

If we forget the authenticity that is our stock in trade, inappropriate tourism development will simply mean a race to the bottom. **T**

Tourism

NOVEMBER/DECEMBER 2006, VOLUME 10, ISSUE 6
ISSN 1499-5719



ON THE COVER:

Viewing polar bears while on a Frontiers North Tundra Buggy Adventure is one of the quintessential experiences available in Churchill, Manitoba. The combination of pristine northern beauty, remoteness and the eminently safe character of the product all combine to provide the kind of intimacy with a powerful predator that would otherwise be impossible to achieve.

WHTI will change how we do business

When the Western Hemisphere Travel Initiative (WHTI) is fully implemented by the Government of the United States, Americans returning home from any international destination including Canada will need to show a passport or a yet-to-be-fully-defined secure travel document. Studies show this legislation will have an impact on tourism from the US to Canada; a recent study by the Canadian Tourism Commission (CTC) shows that only 34% of the US population has a passport.

The impact on tourism could be severe, given that the US is our biggest international tourism market. A recently released Industry Canada study projects the WHTI could result in a loss of over 14 million inbound trips from the US and a loss of \$3.6 billion in tourism receipts between 2005 and 2010.

The Canadian Tourism Commission (CTC) has been actively preparing the US market for the WHTI, and was the first Canadian organization to commission a study into its potential impacts. Like the one published recently by Industry Canada, it points to some heavy losses for Canadian tourism through and beyond the implementation stages of WHTI. To mitigate these impacts, the CTC is ramping up its strategy to attract high-yield travellers, targeting US consumers who will generate the greatest return on investment for Canada.

"We are applying an integrated marketing strategy to target US consumers," says CTC president and CEO Michele McKenzie. "The US customer we focus on is more likely to carry a passport." The core of the current US campaign focuses primarily on high-yield markets like Boston, New York and Los Angeles, along with niche markets like

ski and luxury lifestyle. "We are refining our US approach to maximize our reach with partners for 2007, based on our CTC and industry research intelligence."

Some current border facts:

- Americans and permanent residents of the US do not currently require a passport or visa to enter Canada. All that is needed are travel documents proving identity, and proving US citizenship or permanent residency.
- After January 8, 2007, the US government will require all US citizens and permanent residents leaving the country or returning to the US by air to carry a valid US passport (or other secure

travel document such as a NEXUS Air card when used at a NEXUS Air kiosk).

- It is anticipated that – as of January 1, 2008 – US citizens travelling between the US and Canada by land or sea (including ferries), may be required to present a valid US passport or other documents as determined by the Department of Homeland Security.
- When WHTI is fully implemented, Americans returning home from any international destination will need to show a passport or other secure travel document. **T**

Write to us – it's so EASY!

At *TOURISM*, we strive to provide you with information about tourism industry issues you want – and need – to know about. Is there more? Is there something you want to read about? Is there something you would like us to investigate? Write to us – it's so EASY! E-mail: tourism@ctc-cct.ca, or call 604-638-8342.

"A long time ago when we were bidding for the Games and trying to determine where we might find our 'edge', it crossed our mind that Canada is one of the most powerful tourism brands in the world. Typically, when organizations bid for the games they tend to bid with the interest of their community or their local region in mind. With the recent Winter Games in Torino, it was very much a local story. The same happened in Salt Lake City when the Games were staged there. Yes, the Games were seen by people across the continent, but they weren't really set up to be a nation builder.

"We felt that to be successful, we had to communicate this as an opportunity for the Games to be one of those moments in time when an entire country could come together. It would be one of those rare opportunities that come along once in a generation or two, to touch every Canadian. We felt the Games should resonate in every home, be spoken about at the kitchen table, and affect businesses, communities, villages, wherever they are in the country."

"We felt that to be successful, we had to communicate this as an opportunity for the Games to be one of those moments in time when an entire country could come together."

Winning the bid for the 2010 Winter Games was one thing, but delivering on the promise in areas like economic benefits is where the real work begins. How do the Games gel into a real national tourism revenue generation machine? For Furlong, it's a no-brainer:

"The Olympic and Paralympic Games are one of the most powerful communication vehicles on the planet. We will talk to more than three billion people over the life of the project. What better way to show the world what a wonderful destination Canada is, why Canadians are special, what tremendous capacity this country has – why it is a great place to visit, why it is safe to be here and why Canada 'works'. All the wonderful mysteries of the country can be unravelled through the power of the Games."

Furlong feels this is probably the most significant leveraging opportunity the industry will have for some time, and points out that, in the past, some countries have been slow to realize the kind of power they are working with. He provides, as one example of how it can work for Canada, the leveraging power of the torch relay:

"It allows you to showcase all the regions of the country. It will be followed day in and day out. It will be on television every night. Every part of the country will be involved. So it is a chance to communicate with Canadians about the great value of Canada; about the spectacle and the depth of this country. And it is a great opportunity for Canada to talk to the whole world, communicating about the wonderful place this is." He continues, "I am not a tourism scientist, but it seems to me that if you could communicate an extremely positive message about how and why a country works, it is not a stretch to think that people might just be inclined to get up and go there. I just can't imagine a more powerful tool to do that than the Olympic and Paralympic Games."

Furlong also believes in the ability of the Games to influence perceptions within the country and abroad by showcasing the cultural commonwealth of Canada:

"I remember that, during the bid, Korea was a finalist against Vancouver, and they were talking about a 5,000-year old culture.

When we were competing against Austria, they were talking about the contributions of Mozart and others to culture and the arts. We were there and thought about Canada's culture as the culture of the 21st century – the culture of the future. We are the people of the world; we are building a new culture, this extraordinarily positive identity here. Obviously this event will be seen as largely delivered by people who live here in Vancouver, and they will see Canada through a West Coast prism, but the fact remains this is a really good opportunity for Canadians to be more exposed to the world. I think for us not to have tagged this as Canada's Games would have been a big mistake."

Furlong's message to Canada's tourism stakeholders couldn't be clearer. He says that tourism has to realize things are moving very quickly, and the door is wide open for everybody to "get on the train", to be part of it, and to help grow it:

"Anyone who lets this go by and does not attempt to take advantage of the fact we are going to talk directly to two-thirds of the planet is making a very big error. It is a tremendous opportunity to talk about ourselves. I understand the most visited regions of the world are Olympic regions, so if we tell the right story, if the Games are a great success, if we keep our promise and the Games resonate in the way they should, I think the legacy will live on."

Olympacts: some quick facts about Olympic impacts

- During the 2002 Winter Games, Utah reported US\$22.9 million worth of print media advertising covering tourism themes only. Since hosting the Games, online visits to Utah.com have remained at approximately 400,000, nearly 80% above the pre-Games level.
- Nine out of ten individuals on the planet with access to a television watched some part of the 2000 Sydney Games. Australia credits its tourism boom to international media who attended the Games and later went home to write and publish stories about destinations across the whole country. The value of publicity generated by the Games is estimated at AU\$6.1 billion.
- It's expected that three billion international viewers will tune in for Canada's Winter Games in 2010.
- Media from around the world will write stories about Canadian destinations in the years leading up to the 2010 Games, during the Games, and for years after the Games themselves are over.
- The Games will be an opportunity to show the world what an incredibly passionate, welcoming people we are. While in the past Canada has often been characterized as having beautiful landscapes and scenery, the Games will allow us to show additional dimensions of Canada: our people, excitement, progressiveness, cosmopolitan cities and vibrant cultures.
- The Canadian Tourism Commission is looking beyond the games to ensure its efforts are sustainable and result in lasting legacies for Canada's tourism industry. Once the world sees us in 2010 we will then need to convert that global awareness and love for our Country into people booking trips and visiting us. This will require investment after the games and will allow us to truly create a legacy of tourism benefits.



And one of these legacies, Furlong believes, will be the partnerships created as a result of the Games.

"It is how we work together. This is not about a few organizers in one community. This is about pulling the best of Canada together and converting that into the type of genesis that occurs when people get together and all pull in the same direction."

Developing this synergy is the VANOC CEO's current focus. He says he is reminded everyday that leadership hinges more often on one's ability to listen and learn than anything else.

"You have no credibility unless you show up. You have to show up. We could be forgiven if we stayed at home in Vancouver, put our heads down and just did the job that has to be done but the fact is, these can't be Canada's Games unless the rest of the country is engaged. "We have been in every province in Canada this year. People are well aware of the power of the Games, and we have said from the day we started that if we had to communicate to Canadians one at a time, we were prepared to do that. And it cannot be done by the Organizing Committee alone so the relationships we have with the Canadian Tourism Commission (CTC), for example, and (other) tourism marketing organizations are so important. This is not a job that can be done in one city, by one agency.

"I don't know of an agency that is better equipped to really tell the story of Canada than the CTC. The CTC carries this country's brand in its hands. I hope the CTC decides that Canada's Games are a major piece of its own platform over the coming years. And I do believe this is where the CTC is headed; certainly it is the right agency to do that." 7

continued from page 1

While the cost of travelling to Canada has increased considerably for US travellers since last year, the cost of travelling within the United States has increased almost as much. Nevertheless, the relative strength of the Canadian dollar remains a challenge, particularly for price-sensitive automobile travellers from US border states.

Mexico

Mexican visits are expected to grow moderately over the first quarter of 2007. Overall trips to Canada are expected to increase 4.1% during the period, compared with the same quarter of 2006. Group visits are expected to jump by 5.2%, while FIT visits increase 3.1%. A survey of Mexican tour operators revealed that sales of Canadian vacation packages continue to be brisk, despite the effect of a less favourable exchange rate on package prices.

European Markets:

UK

Although travel market conditions in the UK remain challenging overall, visits to Canada are expected to grow modestly over the winter quarter. Business Outlook Survey respondents anticipate a 2.7% increase in UK travel to Canada in the first quarter of 2007, compared with a year earlier. Overall leisure travel is expected to expand 2.6%, boosted by a 2.8% rise in FIT visits, while group leisure travel edges up 2.1%. The outlook for UK business travel to Canada remains slightly more optimistic, with growth of 3% expected for this segment during the winter travel period. Recent research suggests that UK demand for Canadian ski destinations is rising, in part because of easier access to ski resorts and the favourable exchange rate.

France

Following a slow summer season, overall French travel demand appears to be improving, bolstered by a slightly more optimistic outlook for the French economy. In addition, Canada's price competitiveness for French long-haul travellers has gained a bit of ground because of a combination of factors, including more competitive airfares between France and Canada, a slight appreciation of the euro and the higher cost of travelling to other competitive tourism destinations. Moreover,

direct air capacity between France and Canada is slated for a substantial increase over the winter quarter, compared with the previous year.

However, Business Outlook Survey respondents remain cautious in their outlook for French travel to Canada in the first quarter of 2007. Overall visits to Canada are expected to grow less than 1% during the period, compared with a year earlier. Group leisure travel is expected to increase 1.1%, and fully independent travel is expected to remain nearly on par with the same quarter of 2006.

Germany

The outlook for German travel demand suggests there will be some growth in German outbound travel over the winter. Advance sales for winter vacations are off to a good start, but much of this momentum could be attributed to the impending increase in Germany's value-added tax (VAT). Many travellers are making a concerted effort to purchase their travel before January 1, 2007, when the 3% increase will be implemented. The VAT hike is expected to curb travel spending for many segments of the German market next year.

Business Outlook Survey participants anticipate overall travel from Germany will edge up 2% in the first quarter of 2007 compared with a year earlier. Growth in group leisure travel (2.4%) is expected to continue, outpacing growth in FIT visits (1.8%) during the period. German tour operators surveyed by the CTC also expect year-over-year growth in their Canadian travel sales for the first quarter of 2007; however, direct air capacity between Germany and Canada is scheduled to decline slightly, which could pose a challenge.

Asia-Pacific Markets:

Japan

The outlook for Canada's Japanese travel market suggests Japanese arrivals will achieve little to no growth over the winter quarter. Business Outlook Survey participants anticipate Japanese visits to Canada will remain virtually on par with the same quarter last year, increasing only 0.4%. FIT is expected to rise 1% over the period, while group leisure travel remains the same as last year. As a result, overall leisure travel is expected to edge up 0.3% this

winter. The outlook for business travel from Japan is slightly more positive, with growth of 1.1% expected for the first quarter of 2007.

South Korea

Business Outlook Survey participants anticipate overall travel from South Korea will increase modestly in the winter quarter, expanding 2.6% compared with the previous year. Korean-based tour operators are reportedly experiencing strong demand for Canadian travel in the first quarter of 2007, in particular for the FIT segment. Winter is a popular time for family vacations as well, and the New Year holiday in early January is expected to be busy.

China

All in all, strong economic and travel trends suggest the brisk pace of growth in Chinese travel to Canada will continue over the near term. Business Outlook Survey participants expect Chinese visits will expand 7.5% during the first quarter of 2007 compared with a year earlier. Fully independent leisure travel is expected to jump 9% during this period, while group leisure travel rises 7%. Furthermore, Canada's

price competitiveness for Chinese tourists is expected to improve in the first quarter against most other key competitive destinations.

Australia

The outlook for the Australian travel market this winter is mixed, overall. On the upside, outbound travel demand appears to be holding its own, and reports from the Australian travel trade suggest that demand is strong for Canadian travel products among some segments. Moreover, the price of travel to Canada from Australia has declined since last winter, giving Canada a leg up in its price competitiveness for Australian travellers. Yet, Australian consumer confidence has been vulnerable to rising interest rates this year, and a reduction in air capacity to Canada during the first quarter may curtail the growth potential of this market. Still, Business Outlook Survey participants anticipate 3.1% growth in Australian visits during the first quarter of 2007. Group leisure travel is expected to climb 2%, and FIT visits are expected to jump 3.9%.

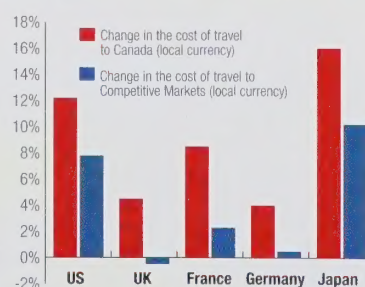
The full text of the Short-Term Markets Outlook is available at www.canadatourism.com. **T**

Are we less competitive?

According to the Conference Board of Canada, reporting in the November issue of the *Tourism Intelligence Bulletin* (prepared for the Canadian Tourism Commission), the gradual decline in overseas visits through the second half of this year has been a concern for the Canadian tourism industry. One of the main reasons for this cooling trend is the decline in Canada's price competitiveness as a travel destination. Although the cost of travel is increasing for most destinations around the world, travel costs for trips to Canada are climbing even higher.

The following chart presents a snapshot of the startling difference between cost increases for travel to Canada and for travel to destinations that compete with Canada. The figures are based on a cost analysis conducted by the Canadian Tourism Research Institute (CTRI) for travel from five key markets to Canada during the fourth quarter of 2006. For example, looking at the US travel market, the competitive price analysis suggests that the cost of travelling from the US to Canada in the fourth quarter of this year is expected to be 12.3% more than last year from the perspective of an American traveller (represented by the first bar). Meanwhile, the cost of travel for Americans to other competitive destinations – in this case, other US domestic destinations – is expected to increase 7.7% year-over-year (represented by the second bar).

Chart 1: Changes in the Cost of Travel to Canada vs. Competitive Markets (year-over-year comparison, Q4 2006 vs. Q4 2005)



This competitive price analysis represents only one snapshot of the increase in travel costs to Canada in relation to other competing destinations. However, it does reveal that the higher costs are due to more than just a difference in exchange rates – they are also due to the combined effect of higher prices in airfares, accommodations and other trip costs. The full text of the *Tourism Information Bulletin* is available at www.canadatourism.com.

Sources: The Conference Board of Canada; U.S. General Services Administration; World Bank; International Air Transport Association (IATA); American Express Business Travel Monitor; Expedia; SideStep.

Working with a wealth of intelligence

TOURISM readers will notice that the 2005 *Tourism Snapshot* is included with this edition of the magazine. This "year-in-review" of information about travel to Canada replaces the annual *Canadian Tourism Facts & Figures*, and provides an overview of the size and scope of tourism to Canada. It details the number of trips, dollars spent, types and seasons of trips, along with the characteristics of these travellers (e.g. age, gender) and characteristics of the trips themselves (when taken, activities, destination by province, etc.)

The 2005 *Tourism Snapshot* should not be confused with the monthly *Tourism Snapshot* that has been produced by the Canadian Tourism Commission (CTC) since early this year. CTC research executive director Neil McInnis notes that the monthly *Tourism Snapshot* has proven to be a popular industry resource, available online (on the CTC's business website) as well as being widely distributed in a printed version. "This monthly piece reports the current monthly international arrivals as well as a variety of other indicators and market intelligence people can use to make business decisions."

The rationale behind preparing and distributing a 2005 "year-in-review" version of *Tourism Snapshot* is to provide a full summary of performance in the most recent year for which we have complete data. McInnis explains: "While the monthly edition of the *Tourism Snapshot* provides more recent information, the year-in-review document that we see included with this edition of *TOURISM* magazine provides more detail, including not only travel volume information for the previous year, but also expenditure estimates, purpose of trip, accommodation used, and activities participated in by tourists."

"Operators want information to assist them to make marketing decisions for the next year or two," explains the CTC's market research manager Roger Laplante. "The year-in-review document will help the industry – not just the big operators and destination marketing organizations but also the smaller enterprises – to gain a perspective on where there is growth, how things are shaping up in the markets, where is the yield, and so on. At the end of the day – and for every operator – what counts is how much revenue and profit they can generate. The year-in-review gives them some of the information they need to refine their business plans (addressing where there may be weaknesses in their marketing tactics, for example) as well as new opportunities."

One component of the 2005 year-in-review represents a new approach to communicating market intelligence. "This big table gives a perspective on seasonality, demographics, preferred activities, average length of stay and trip spend information, and so forth for all markets and for each of the CTC's core markets," explains McInnis. "This is a lot more information in one package than has been provided in the past, but that doesn't mean it should overwhelm our business readers. Readers should concentrate on the markets relevant to their business while keeping a watchful eye on the remaining markets for opportunities."

It is important to remember that the 2005 year-in-review snapshot is background information, to provide perspective as businesses and DMOs develop their business and marketing plans. The CTC provides the most current indicators in the monthly *Tourism Snapshot* as well as in forward-looking reports such as the quarterly market outlooks (*Short Term Business Outlook*) and the *Tourism Intelligence Bulletin*. By using these tools together, operators can see both the opportunities – and the red flags – that can have an impact on their businesses. They can further investigate these opportunities or threats in ways that are meaningful for them, and for the province or municipality in which they operate.

"There is no single tourism indicator that can tell the whole story," says McInnis, "but if your business thoughtfully uses a combination of these tools, you get an understanding of the business environment in which you are operating, and where your operation fits within the Canadian tourism industry." **T**

A guide to travel & tourism data

Tourism Activity	Reference Period	Quantity	% Change from previous year
Tourists to Canada			
From the U.S. - Total	January-September 2006	11,279,162	-5.4%
By Auto	January-September 2006	6,861,018	-6.1%
By Non-auto	January-September 2006	4,418,144	-4.2%
From Overseas - Total	January-September 2006	3,589,175	0.7%
United Kingdom	January-September 2006	712,863	-4.5%
Japan	January-September 2006	304,217	-6.7%
France	January-September 2006	299,996	2.7%
Germany	January-September 2006	256,698	-7.5%
China	January-September 2006	111,155	26.9%
Australia	January-September 2006	163,115	-2.0%
Mexico	January-September 2006	171,664	9.9%
Korea (South)	January-September 2006	155,218	5.5%
Outbound Canadian Tourists			
To the U.S. - Total	January-September 2006	12,599,725	6.8%
By Auto	January-September 2006	7,487,906	7.3%
By Non-Auto	January-September 2006	5,111,819	6.0%
To Overseas - Total	January-September 2006	5,365,344	6.9%
Employment in Tourism			
Total Activities	Second Quarter, 2006	638,800	1.3
Accommodation	Second Quarter, 2006	169,500	4.3
Food and Beverage	Second Quarter, 2006	149,400	0.6
Transportation	Second Quarter, 2006	84,100	0.0
Selected Economic Indicators			
Personal Disposable Income per person (\$)	Second Quarter, 2006	25,394	-0.9
GDP at market prices (current, \$ billion)	Second Quarter, 2006	1,429.8	0.2
GDP chained (1997, \$ billion)	Second Quarter, 2006	1,186.6	0.5
CPI (1992=100)	September 2006	129.9	0.7
Exchange Rates (in Cdn\$)			
American dollar	October 2006	1.1286	-4.2
British pound	October 2006	2.1176	1.9
Japanese yen	October 2006	0.0095	-7.8
EURO	October 2006	1.4239	0.6

Note: All tourist estimates deal with trips of one or more nights; all data on this table is not seasonally adjusted except for the Personal Disposable Income per person, GDP at market prices and the GDP chained.

Source: Statistics Canada and the Bank of Canada

International travel continues decline

In September, total international overnight travel to Canada fell 3.9% registering 1.9 million trips, compared to the same month of last year. The continued cooling in international visits was primarily driven by still weaker US travel demand, mainly led by a softening of the US economy. Travel from the US fell in September as fewer than 1.4 million Americans visited Canada (-4.6%). US overnight automobile trips fell 3.2% and non-auto travel decreased 6.4%. US air travel declined (-3.5%) to 358,000 trips in September 2006.

The number of travellers from overseas countries to Canada also slowed (-1.9%) in September compared to the same month in 2005. Travel was down in half of Canada's key markets for the month of September: Japan (-15.9%), Germany (-9.9%), Australia (-3.1%), and the UK (-1.5%). Gains were registered in China (up 40.8%), South Korea (up 15.1%), Mexico (up 8.1%), and France (up 1.0%). Year-to-date overnight overseas volume was down (-1.7%) when compared with 2005, totalling 1.9 million trips – the third lowest travel volume from overseas in the last ten years.

During September, Canadian overnight total outbound travel recorded an increase of 9.1%, reaching another record level of 1.8 million trips. **T**

CTC France reports Canada on the rebound

If news from Europe has been mostly about sluggish markets lately, the same cannot be said of France, which is enjoying a rather successful rebound according to CTC France managing director Sandra Teakle.

"This year we have been fortunate to be able to benefit from the positive economic climate in France, which is expected to continue through 2007. Certainly, too, our team has worked hard to earn the results we are seeing. From January to August of 2006, the French market to Canada is up by 3%. We are the only one of the CTC's core European markets right now that is on the up side, and have remained very focused on the trade, on the consumer, on non-traditional partnerships, and we are actively working with the media."

But there is of course much more to it, Teakle admits: "we have seen increased capacity in 2006 to and from France, with new partners coming into play like Zoom Airlines which offers direct service from Paris to Calgary and Vancouver. They had a total of 21 rotations and they are announcing an increase to 42 for 2007." Another airline that has made a difference is Corsair, which services Montréal and Moncton, New Brunswick. Air Transat has also come back with two flights a week into Québec City, starting in the fall of 2006.

"In addition, we are seeing the group market on the upswing; that is to say that in 1996 (the year we saw the greatest number of French

people going to Canada), we hit an all-time high of 460,000 people. After 1996 there was a decline and our worst year was 2003, where we had 277,000 French people going to Canada. We expect that in 1996, part of the results was due to the fact the group market dependency trend favoured travel to Canada."

Following that record year, Teakle explains, other emerging markets made significant inroads on the group segment. "Therefore Canada lost out for a time. But now, 10 years later, we are seeing that this group cycle is back on."

When Teakle looks at the products that make a difference in the French market for Canada, she finds that "Québec is still our major seller, or 'point of entry' as a result of the language and historical ties. A lot of group travel is generated by the social committees; in France, when you have a company of more than 50 employees, the company must inject a percentage of the total salary of employees back toward activities like summer camp for their children, language schools, as well as trips for the staff members."

While the classical Canada trip usually involves a loop around Toronto, Ottawa, Montréal and Québec City, Teakle remarks that there is increased demand for the Atlantic provinces and Western Canada lately.

"People are opening up and wanting to visit Alberta and BC. There is a demand for Saskatchewan and Manitoba, but it is more for

well-defined products like fishing and hunting in Saskatchewan, or they will go to Manitoba to view the polar bears. Right now we are trying to promote long weekends to Montréal and Toronto. It is very much in the French mentality to get on a plane and fly to New York for a weekend break, and not think twice about the distance." So why not go to Montréal or Toronto for a change of scenery and a breath of fresh air!

Teakle hopes this approach will reap rewards before too long. "Our target market is 35 to 59 years of age, middle to high-income levels. We try to communicate with consumers on a regular basis in order to stay top-of-mind and drive the consumer to the point of purchase. We have a consumer database of

about 40,000 and we increase this with every non-traditional partnership to which we commit, by securing e-mail addresses through competitions to win prizes to Canada. This database receives our "Lettre du Canada" which is produced internally by the team on a quarterly basis and provides links to partner websites.

Fortunately, Teakle points out, Canada as a country is viewed very favourably in France, thanks in part to the efforts Canadian artists invest in that market, scheduling concerts and taking advantage of the many natural affinities between French and Canadian societies. Sounds like something worth nurturing a little while longer, doesn't it? **7**

Notes from the France market

Following a decline from 2000 to 2003, visitation from France has rebounded, up by 22.6% in 2004 and 4.3% in 2005. This positive momentum has followed through in 2006, with January to August numbers up by 3.0% over 2005.

Average spending for 2005 was \$1319 (\$1339 for Europe in general) and average trip duration was 16.62 nights (14.9 nights Europe). In 2005, 56% of leisure travellers to Canada came for pleasure, and 36% were visiting friends and relatives.

Trends:

- Travel for rest and relaxation has increased in importance over previous years.
- For travel to places other than Europe and North Africa, Canada is the top dream destination for the French.
- The French are especially interested in Canada's French-speaking culture.
- The French are also attracted to the hospitality and welcoming nature of Canadians.
- Canada's nature and landscapes are still the main appeal for the French.
- The US, China and Thailand are three major competitors for French long-haul visitors.

Who is building the industry in your neighbourhood?

Here is your chance to help us focus the spotlight on individuals and tourism operations that break new ground. In his monthly *TOURISM* column, associate editor Claude-Jean Harel features exclusive profiles of those who help make Canada a destination of choice at home and abroad.

In this new feature of the CTC's *TOURISM* family of publications we've read so far about Elijah Evaluarjuk, the owner and operator of the Tujurmivik Hotel in Igloolik, Nunavut, who carries on a 30-year history of arctic hospitality with Inuit flavour.

We also discovered Newfoundland and Labrador's Lighthouse Picnics in Ferryland, where a provincial tradition has been packaged into an authentic dining experience that has become the pride of the community, and has earned rave reviews from travel writers everywhere.

Claude-Jean invites you to send him your suggestions with reasons why the industry builder who resonates in your heart and mind is worthy of recognition.

You can reach Claude-Jean Harel at: harel.claude-jean@ctc-cct.ca. Don't keep those who make a difference in your tourism world in the shadow any longer! **7**

TOURISM SNAPSHOT

2005 YEAR REVIEW*

FACTS & FIGURES

Canadian Tourism Commission canadatourism.com

Volume V • Issue 1

TOURISM HIGHLIGHTS

- Tourism spending in Canada totaled \$62.7 billion in 2005, a 7.2% increase compared to 2004.
- Canadian residents accounted for 72.1% or \$45.2 billion while foreigners spent \$17.5 billion or 27.9%.
- Total tourism Gross Domestic Product (GDP) reached \$26.1 billion in 2005 or 2.0% of Canada's GDP.
- Canada's international travel account deficit was at \$5.8 billion in 2005. The deficit increased for a fourth consecutive year, the highest since 1993.
- Employment in Canada's tourism sector reached 625,800 jobs in 2005, for an increase of 1.6% over the previous year.
- Trips taken by overseas residents reached 4.2 million for a gain of 7.7%, partially offsetting the setback in trips from the U.S., which declined by 4.6% to 14.4 million trips.
- Combined, international tourists made 18.6 million overnight trips to Canada in 2005, a 2.2% decline over 2004.

Tourism in the Canadian Economy

	\$ billions	05/04 %
Total Demand	62.7	7.2
Domestic	45.2	10.9
International	17.5	-1.3
Tourism GDP	26.1	7.0

Source: Statistics Canada, National Tourism Indicators

Canada's International Travel Account

	All Countries	U.S.	Overseas
	\$ billions		
Receipts	16.5	9.0	7.5
Payments	22.3	12.4	9.8
Balance	-5.8	-3.4	-2.4

Source: Statistics Canada, International Travel Account

Overnight Trips to Canada

	Trips 000's	05/04 %	Spending \$ M	05/04 %
United States Leisure	12,427	-5.1	5.9	-9.8
United States MC & IT	1,964	-1.4	1.5	-3.8
Total United States	14,390	-4.6	7.5	-3.2
Proportion of all countries %	77.3		56.8	
UK	888	10.8	1.2	11.6
France	351	4.3	0.5	14.4
Germany	311	4.9	0.4	3.2
Mexico	179	6.1	0.2	3.3
Japan	398	1.8	0.6	0.7
South Korea	173	5.0	0.2	6.3
China	113	18.7	0.2	28.3
Australia	179	3.0	0.3	5.5
Total Overseas Core Markets	2,592	7.1	3.6	8.6
Proportion of all countries %	13.9		27.3	
Other Overseas Countries	1,630	7.5	2.1	4.9
Proportion of all countries %	8.8		15.9	
TOTAL COUNTRIES	18,612	-2.2	13.2	-2.4

Source: Statistics Canada, International Travel Survey

* Note to users: the 2005 Tourism Snapshot Year Review replaces the former Canadian Tourism Facts & Figures produced in collaboration with Statistics Canada. The 2005 Year Review provides data only on international markets. Domestic results will be reported on www.canadatourism.com as they become available from the new Travel Survey of Residents of Canada.

CTC Core International Markets

Note: Travel characteristic levels and

UNITED STATES

	Total International Markets	05/04 %	Total CTC Core Markets	05/04 %	US	05/04 %	US Leisure	05/04 %	US MC & IT	05/04 %
Overnight Person-trips (000's)	18,612.2	-2.2	16,982.0	-3.0	14,390.3	-4.6	12,426.7	-5.1	1,963.6	-1.0
Overnight Travel Receipts (\$M)	13,229.1	-2.4	11,131.9	-4.1	7,462.9	-3.2	5,939.5	-9.8	1,523.4	-1.0
Average Party Size	2.0	-2.0	1.6	0.0	2.07	-2.4	2.25	-1.7	1.38	-0.1
Average Trip Duration (Nights)	6.8	4.8	5.8	3.6	3.98	-1.2	4.13	-0.5	3.09	-0.1
Receipts per Trip (\$)	710.8	-0.3	655.5	-1.1	518.61	-4.2	477.96	-4.9	775.81	-1.0
Receipts per Person-Night (\$)	105.3	-4.2	113.0	-5.0	130.20	-3.2	115.90	-4.4	251.20	-1.0
Seasonality (000's)	Proportion - %		Proportion - %							
1st. Quarter	2,720.3	14.6	2,500.2	14.7	2,100.4	1.8	1,664.1	2.9	436.3	-0.1
2nd. Quarter	4,817.3	25.9	4,376.0	25.8	3,723.4	-3.3	3,167.8	2.1	555.7	-0.1
3rd. Quarter	7,826.4	42.0	7,162.5	42.2	6,100.1	-6.4	5,568.9	-6.8	531.2	-0.1
4th. Quarter	3,248.2	17.5	2,943.6	17.3	2,466.4	-7.1	2,026.1	-7.5	440.4	-0.1
Main Trip Purpose (000's)										
Business	2,622.4	14.1	2,330.7	13.7	1,963.6	-1.4	0.0	0.0	1,963.6	-0.1
Visiting Friends and Relatives	4,161.2	22.4	3,551.0	20.9	2,823.6	1.3	2,823.6	1.3	0	-0.1
Pleasure	9,951.2	53.5	9,382.2	55.3	8,140.6	-7.6	6,606.4	-8.6	0	-0.1
Other	1,877.3	10.0	1,718.4	10.1	1,462.5	-2.7	2,996.7	-2.8	0	-0.1
Gender (%)	05/04 - %		05/04 - %							
Male	50.9	-0.2	50.7	-0.6	50.7	-0.2	48.2	-0.6	66.8	-0.1
Female	49.1	0.2	49.3	0.6	49.3	0.2	51.8	0.6	33.2	-0.1
Age (000's)	Proportion - %		Proportion - %							
24 & Under	2,624.1	15.2	2,362.9	15.1	1,903.3	-7.0	1,833.8	-7.6	69.4	-0.1
25-34	2,174.0	12.6	1,860.6	11.9	1,353.5	-6.0	1,137.1	-5.9	216.4	-0.1
35-44	2,796.6	16.3	2,514.7	16.1	2,104.6	-7.2	1,672.5	-8.7	432.1	-0.1
45-54	3,371.5	19.6	3,087.5	19.7	2,685.4	-5.7	2,117.9	-7.0	567.5	-0.1
55+	6,237.0	36.3	5,829.7	37.2	5,110.5	-3.1	4,593.9	-3.3	516.4	-0.1
Accommodation Types (000's Person-Trips)										
Hotel Only	7,301.9	43.7	6,848.4	45.1	5,889.3	-3.6	4,352.1	-4.5	1,537.2	-0.1
Motel Only	1,510.9	9.0	1,482.4	9.8	1,450.7	-11.3	1,325.9	-11.3	124.8	-0.1
Home of Friends or Relatives Only	3,318.1	19.9	2,762.0	18.2	2,201.6	1.6	2,160.7	1.8	40.8	-0.1
Camping or Trailer Park Only	485.8	2.9	473.5	3.1	455.7	-9.5	451.1	-9.3	4.6	-0.1
Cottage or Cabin Only	1,135.4	6.8	1,133.4	7.4	1,114.9	-4.3	1,106.7	-4.2	8.2	-0.1
Hotel & Motel	337.0	2.0	305.5	2.0	266.9	-10.4	215.9	-13.3	51.0	-0.1
Other Combinations of Two or More Types	2,619.3	15.7	2,191.0	14.4	1,468.8	-9.3	1,396.4	-9.3	123.3	-0.1
Top Activities (000's)*										
Go Shopping	12,356.2	19.9	10,931.7	20.0	8,648.6	-6.3	7,813.5	-6.2	835.1	-0.1
Go Sightseeing	10,446.5	16.9	9,290.3	17.0	7,247.7	-6.8	6,600.1	-7.2	647.6	-0.1
Visit Friends or Relatives	6,986.4	11.3	5,907.7	10.8	4,523.6	-1.1	4,284.1	-0.5	239.4	-0.1
Visit a Historic Site	5,777.6	9.3	5,153.1	9.4	4,052.3	-7.0	3,701.1	-7.2	351.2	-0.1
Participate in Sports/Outdoor Activities	5,489.3	8.9	5,105.6	9.3	4,272.7	-8.1	4,102.1	-7.6	170.7	-0.1
Visit a National or State Nature Park	5,154.2	8.3	4,426.4	8.1	3,040.0	-7.9	2,864.5	-8.2	175.5	-0.1
Go to a Bar or Night Club	4,581.2	7.4	4,142.7	7.6	3,229.7	-8.7	2,605.6	-9.5	624.0	-0.1
Visit a Museum or Art Gallery	4,565.7	7.4	4,035.9	7.4	3,079.9	-6.3	2,805.0	-6.6	274.9	-0.1
Visit a Zoo, Aquarium/Botanical Garden	2,648.2	4.2	2,251.1	4.1	1,576.5	-8.0	1,470.1	-8.5	106.5	-0.1
Attend Cultural Events	2,275.5	3.7	2,035.9	3.7	1,660.3	-4.0	1,576.8	-2.8	83.5	-0.1
Attend a Festival or Fair	1,668.2	2.7	1,442.6	2.6	1,084.7	-9.2	1,014.0	-7.8	70.7	-0.1
Provinces Visited (000's)*										
Newfoundland	76.6	0.4	61.5	0.3	50.6	-7.8	44.1	-9.8	6.5	-0.1
Prince Edward Island	205.6	1.0	194.4	1.0	154.8	-18.5	151.9	-18.2	2.9	-0.1
Nova Scotia	563.7	2.6	505.3	2.6	411.5	-9.6	385.0	-10.0	26.5	-0.1
New Brunswick	434.3	2.0	411.6	2.1	372.2	-15.4	350.8	-14.7	21.4	-0.1
Quebec	3,257.9	15.1	2,856.5	14.8	2,195.9	-7.1	1,825.0	-7.9	370.9	-0.1
Ontario	9,202.8	43.0	8,323.2	43.3	7,214.2	-3.4	6,187.0	-4.5	1,027.2	-0.1
Manitoba	365.1	1.7	341.5	1.8	292.8	-14.2	257.6	-12.3	35.2	-0.1
Saskatchewan	228.0	1.1	212.6	1.1	180.9	-9.9	160.3	-13.1	20.6	-0.1
Alberta	1,782.3	8.3	1,523.5	7.9	961.0	-6.7	790.4	-5.4	170.6	-0.1
British Columbia	4,983.1	23.3	4,511.2	23.5	3,535.9	-4.7	3,177.4	-4.9	358.5	-0.1
Yukon	277.2	1.3	260.1	1.4	230.9	1.2	224.8	0.4	6.1	-0.1
Northwest Territories	36.5	0.2	35.2	0.2	26.1	15.0	22.3	12.1	3.8	-0.1

*Travellers may visit more than one province and participate in more than one activity while on a trip.

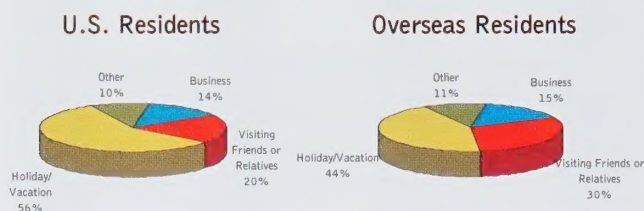
Overnight Travellers Characteristics

Data do not include 'not stated' responses.

EUROPE/LATIN AMERICA								ASIA/PACIFIC							
UK	05/04 %	France	05/04 %	Germany	05/04 %	Mexico	05/04 %	Japan	05/04 %	China	05/04 %	Australia	05/04 %	S Korea	05/04 %
887.8	10.8	351.1	4.3	310.9	4.9	178.9	6.1	398.3	1.8	113.2	18.7	178.8	3.0	172.7	5.0
1,245.6	11.6	463.3	14.4	410.1	3.2	239.7	3.3	557.1	0.7	219.2	28.3	287.1	5.5	246.9	6.3
1.7	-3.4	1.6	0.6	1.6	0.0	1.5	-9.1	1.4	0.0	1.2	-9.8	1.6	0.0	1.3	0.0
13.4	5.0	16.6	14.2	15.8	2.1	17.6	2.8	11.9	-1.8	32.9	0.8	13.7	-2.8	25.9	9.2
1,403.0	0.8	1,319.4	9.7	1,318.8	-1.6	1,340.0	-2.6	1,398.7	-1.0	1,935.7	8.1	1,605.6	2.4	1,429.4	1.2
104.8	-4.0	79.4	-14.1	83.7	-3.4	76.1	-5.3	117.3	0.6	58.9	7.4	117.4	5.5	55.3	-7.2
142.7	22.5	54.3	9.3	35.9	16.9	28.6	43.7	59.8	12.0	16.1	-3.0	31.4	10.6	31.0	17.8
233.2	8.1	74.3	10.7	78.2	-0.8	44.1	-1.8	100.5	-1.0	29.5	22.4	50.6	3.9	42.2	2.4
353.8	9.2	161.9	3.8	152.6	6.9	74.0	-1.1	145.3	-2.0	40.5	13.4	67.4	6.5	66.9	5.0
158.2	9.2	60.6	-5.2	44.2	0.2	32.1	11.1	92.7	5.3	27.1	43.3	29.6	-10.8	32.7	-1.5
91.9	19.2	42.7	-16.9	57.1	3.6	34.3	8.2	56.4	25.3	41.8	73.4	16.5	25.0	26.4	-12.9
285.8	12.3	111.2	10.4	78.3	25.1	36.3	19.4	71.4	-8.3	40.6	15.8	50.4	-7.0	53.4	-1.1
461.0	7.8	171.7	5.5	157.8	-3.8	85.7	-5.1	219.8	3.0	8.4	-55.8	102.2	4.8	35.0	-23.2
49.0	16.4	25.6	18.0	17.8	20.3	22.6	38.7	50.7	-7.7	22.5	-2.6	9.8	12.6	57.9	68.3
48.8	-1.2	54.1	-5.4	52.9	-0.9	58.0	8.8	41.8	-8.3	60.9	2.7	51.6	13.2	57.3	-6.7
51.2	1.2	45.9	5.4	47.1	0.9	42.0	-8.8	58.2	8.3	39.1	-2.7	48.4	-13.2	42.7	6.7
118.1	7.1	70.8	6.9	45.6	-5.6	45.2	-11.9	72.5	-20.7	19.0	46.2	28.0	40.0	60.4	60.2
130.9	20.9	68.2	14.0	54.6	8.5	43.8	56.4	124.1	23.1	15.3	-20.7	30.6	-0.7	39.6	7.3
126.9	4.1	48.6	-0.4	63.6	5.3	35.3	16.9	56.6	31.3	31.0	14.4	18.5	42.3	29.6	-10.6
153.8	7.0	60.7	2.2	59.3	3.0	17.8	-30.2	36.9	-22.5	19.7	27.1	28.4	-25.1	25.5	-27.8
331.0	12.1	88.3	3.5	76.6	8.7	23.8	-10.5	90.8	10.6	27.5	37.5	66.8	10.4	14.4	-19.6
319.5	5.9	77.8	5.0	91.3	-2.6	83.5	-3.9	245.6	3.3	40.2	33.1	57.7	1.4	43.5	-15.4
9.9	22.2	4.4	-10.2	5.0	16.3	0.4	-69.2	2.4	71.4	3.1	342.9	2.0	-60.0	4.5	221.4
213.1	29.4	74.7	-4.7	63.7	11.8	35.1	15.1	54.3	7.1	39.1	17.1	34.5	-6.2	45.9	-7.6
1.5	-61.5	3.4	126.7	12.0	-21.6	0.4	100.0	0.3	100.0	0.0	0.0	0.2	100.0	0.0	-100.0
6.1	13.0	2.6	271.4	5.2	79.3	0.5	-16.7	1.9	12.1	0.0	0.0	2.2	1,000.0	0.0	-100.0
14.6	9.8	6.1	-7.6	8.9	41.2	1.8	200.0	1.0	-61.4	0.4	-93.7	5.4	-10.0	0.4	-87.5
258.9	-2.0	140.9	-4.6	109.2	4.5	31.5	-11.0	58.1	-9.2	18.5	14.9	65.2	6.9	39.9	10.5
794.9	8.6	308.4	7.6	263.7	4.3	166.9	10.2	338.5	6.8	106.5	25.1	157.4	4.4	146.8	14.3
711.1	11.2	257.2	8.7	244.7	6.6	124.4	7.2	314.3	-2.1	98.5	37.0	156.5	2.1	135.9	13.9
528.6	15.7	208.3	1.7	151.6	5.3	80.1	14.8	141.8	3.4	73.3	22.2	102.1	-4.6	98.3	-5.7
406.9	15.9	185.8	12.4	157.3	4.0	81.1	-1.1	94.7	18.8	38.0	16.2	87.0	14.3	50.0	13.6
317.9	5.5	130.0	5.9	114.6	0.8	40.7	-30.8	89.5	-13.0	21.5	4.9	71.9	11.0	46.8	20.3
478.2	8.9	190.7	16.8	190.5	8.4	95.0	2.4	182.7	1.9	54.7	55.0	103.6	2.8	91.0	13.8
420.2	16.6	133.7	4.1	87.4	8.4	69.7	36.4	68.8	1.8	19.8	6.5	74.7	1.6	38.7	13.2
340.7	9.3	181.4	9.4	124.3	-2.6	66.1	-15.5	87.4	-13.3	30.4	-15.8	73.7	4.4	52.0	4.6
234.8	-0.8	123.5	5.0	77.6	-15.1	60.1	7.3	59.3	-3.4	28.5	-2.4	57.1	-11.2	33.7	-18.2
147.0	19.6	76.2	24.9	45.7	-5.4	29.2	6.6	29.5	34.1	9.8	-28.5	20.7	-13.0	17.5	0.6
130.9	17.4	60.3	-12.7	34.5	2.7	29.4	22	43.0	3.1	10.2	-48.0	21.2	-11.2	28.3	26.9
4.4	2.3	0.7	-66.7	2.9	-19.4	0.2	100.0	2.1	162.5	0.1	-94.7	0.5	-61.5	0.0	-100.0
15.9	24.2	1.7	-15.0	7.8	136.3	0.2	100.0	9.2	19.5	1.7	1,600.0	3.1	3.3	0.0	-100.0
43.9	0.9	7.7	16.7	23.1	-1.3	1.5	-37.5	8.7	70.6	0.6	-14.3	7.9	-29.5	0.4	-66.5
16.6	-2.9	5.1	-29.2	9.0	30.4	0.2	100.0	3.4	183.3	0.9	80.0	3.8	-5.0	0.4	100.0
132.6	23.1	281.8	8.5	66.9	-4.7	52.9	-7.5	44.3	7.0	32.1	23.9	31.7	16.5	18.3	10.9
429.6	11.7	108.4	4.7	123.3	3.3	81.9	4.6	173.9	-3.9	64.2	57.8	59.1	-15.0	68.6	20.6
20.7	-25.0	1.1	0.0	6.4	-5.9	2.2	-69.0	10.2	21.4	0.3	-84.2	5.7	78.1	2.1	5.0
16.3	-26.9	1.0	400.0	4.9	-12.5	0.2	-86.7	3.6	-53.2	1.0	-23.1	3.9	-35.0	0.8	-7.1
226.2	-1.0	17.6	-5.9	87.4	9.9	17.4	37.0	109.5	12.5	17.5	13.6	44.0	-18.8	42.9	21.2
298.4	3.5	17.0	-29.2	111.5	-3.8	59.5	3.5	203.5	-6.3	65.5	-4.0	112.6	4.7	107.3	3.2
6.6	61.0	3.5	250.0	14.7	-12.5	0.0	0.0	2.8	-15.2	0.0	0.0	1.6	-27.3	0.0	0.0
0.0	-100.0	0.2	100.0	1.9	171.0	0.0	0.0	7.0	-9.1	0.0	0.0	0.0	-100.0	0.0	0.0

Source: Statistics Canada, International Travel Survey.

Distribution of International Tourists to Canada by Purpose



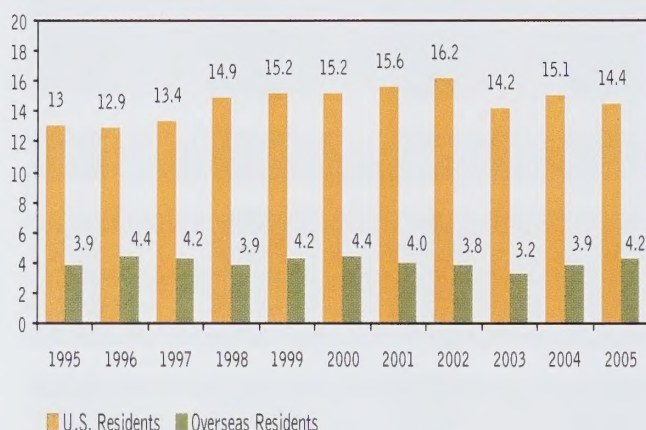
Source: Statistics Canada, International Travel Survey

Distribution of International Tourists to Canada by Quarter



Source: Statistics Canada, International Travel Survey

International Tourists to Canada, overnight trips (M)



Source: Statistics Canada, International Travel Survey

Top Ten Overseas Countries Visited by Canadians

	Trips 000's	Nights 000's	Spending \$ millions
United Kingdom	898.2	11,370.0	1,090.9
Mexico	794.4	8,779.6	910.1
France	616.0	7,770.5	828.9
Cuba	517.9	4,573.8	470.2
Dominican Republic	505.8	4,487.6	457.3
Italy	382.7	4,860.3	616.0
Germany	317.1	3,204.6	275.7
Netherlands	197.1	1,601.5	131.8
Spain	169.6	2,300.1	222.7
China	160.8	2,996.0	304.1

Source: Statistics Canada, International Travel Survey

International Travel Competitive Review (000's)

TRIPS FROM:	OVERNIGHT TRIPS TO:							
	Canada		United States		Australia		United Kingdom	
	#	05/04 %	#	05/04 %	#	05/04 %	#	05/04 %
Total International	18,612	-2	41,149	8	5,497	5	29,971	8
United States	14,390	-5	—	—	446	3	3,436	5
Other Core Markets								
France	351	4	879	13	64	10	3,333	2
Germany	311	5	1,416	7	146	4	3,318	12
United Kingdom	888	11	4,345	1	708	5	—	—
Mexico	179	6	4,605	15	77	15
China	113	19	405*	24*	285	13	127	-9
Japan	398	2	3,884	4	686	-4	326	-6
South Korea	173	5	705	13	250	18
Australia	179	3	582	12	—	—	915	16
Canada	—	—	14,865	7	103	4	803	9
Total Core Markets	16,982	-3	31,685	8	2,688	4	12,335	5

... Data not available. — non-applicable. *Includes Hong Kong, SAR.

Sources: Statistics Canada; Australian Bureau of Statistics; National Statistics (UK); and ITA. Office of Travel and Tourism Industries (USA).

Sources of Information

International Travel Survey (ITS)

Travel Characteristics - The ITS is an ongoing quarterly survey conducted by Statistics Canada that provides a wealth of data on international trip characteristics such as expenditures, activities, places visited and length of stay.

Volume of International Travelers - With the help of Canada Border Services Agency, all ports of entry across Canada participate in collecting monthly census counts of vehicles and passengers entering or re-entering Canada by country of residence and mode.

For more current information,
please refer to the
monthly *Tourism Snapshot*

www.canadatourism.com

CTC MARKETING
RESEARCH UNIT

On becoming customer-centric

The following is an excerpt from an article in the October issue of TOURISM Online (written by Jens Thraenhart, executive director, marketing strategy & customer relationship management at the Canadian Tourism Commission).

If the responsibility of looking after a company's internet presence was traditionally assigned to IT managers in the past (perhaps because of their presumed greater command of the hardware components), it is fast becoming apparent that the media itself has morphed into a powerful marketing tool – an enabler with a rich potential to help build one-to-one relationships with customers. As such, it is harder to ignore (and – to be fair – the rapid growth of the internet has also changed the marketing manager's job description).

Marketing responsibilities imply the identification of goals, objectives and measurable results. Traditionally, the range of tactics employed was relatively standardized. Essentially, this involved making advertising, promotion, and media buys in target markets using newspaper, magazine, radio or TV ads. Then, along came some alternative channels, in the form of film spots in movies and through many other emerging non-traditional partnerships. Today, the marketer must possess a much broader skill set, including strong analytical capabilities.

But the exponential growth of the internet has made all the difference, and even the role of manager of communications is changing somewhat. From staging publicity events or working with writers and travel media, these craftsmen and craftswomen of well-targeted messages must now operate in a world where the communications outlets used by travel industry have all exploded into fresh, complex and often new incarnations. The travel writers are on the internet, blogging.

All industry players are seeing the advantages of leveraging technology for their needs, and they try relentlessly to harvest the benefits. Advertising and e-marketing are not simply about putting banner ads on websites vs. using traditional media. (That would simply amount to shifting the billboards to where the consumers are.) The "Web 2.0" phenomenon is

changing the way the marketers operate in technology-driven environments. "Web 2.0" is the expression used to describe the second-generation of internet-based services which let people collaborate and share information online in previously unavailable ways.

There are a few pieces that are especially important for the next generation of marketing managers to monitor, and they are all related to the need to define consumer groups through segmentation. At the CTC we will use the "Explorer Quotient" (EQ) model, which bridges the transition from a product or channel-focused approach to a customer-centric model. For this transition to be successful, we need to make smart use of customer analytics and take stock of the needs of different consumers.

Web 2.0 may be a difficult-to-define buzzword at the moment, but it opens the way to making use of applications like "mashups" (the internet equivalent of a sandwich, bundling different applications together). In a "mashup" you will find hotel booking engines with reviews, maps and webcams, all in one place; Web 2.0 transforms the internet from a one-way communication channel to a two-way communication resource where the consumer suddenly is in control.

Prior to Web 2.0, the customer would go onto a hotel or destination website to get information or download a brochure. You would perhaps then go to a website like Tripadvisor.com to look at what other people experienced at the establishment of interest – how was the room and the service? Then you might post your own review on that website. (The growth of *Wikipedia* is just another example of how people collaborate in generating and editing Web content to create the world's largest multi-language encyclopaedia.)

Once you are aware of the opportunities offered by the Web, customer-centric metrics allow enterprises to produce websites that act as virtual focus groups. We can turn the metrics into intelligence. Customer streams, traffic, hits, visitor numbers, and search words and phrases can reveal invaluable information about what customers want through analysis and the identification of the metrics most relevant to the

organization. Only then can you become truly customer-focused. It really starts with tracking the customer value and estimating where different value propositions are, and knowing which customers are most valuable to the enterprise or the organization. We will then be able to allocate the resources to those customers – it is like going for the high-yield traveller.

Once you are aware of the opportunities offered by the Web, customer-centric metrics allow enterprises to produce websites that act as virtual focus groups.

So how does one deliberately make the transition? First, stay on top of the trends. (There are still organizations out there that are scared of the internet and don't want to have anything to do with it.) But in the end, 82 % of US travellers use the internet either to research or purchase online, so that is where the consumers are. I talk to people who say "we won't get into user-generated content and blogs because what happens if they say something bad about us?" They are going to do it anyhow. They will write it somewhere else. That's like talking behind your back – why not engage in a conversation with the customer, build a relationship, be aware of issues, and correct them. Stay current with the trends – not so much internet trends but consumer trends.

Look at mobile marketing (which is really marketing over wireless channels, using tools like cell phones). If we are hoping to attract people from Europe and Asia, it is well worth considering this media because – for example – Japanese consumers don't really use credit cards, but use payment systems over cell phones. You need to be aware of how your consumer is consuming media and how he or she is purchasing and researching travel. A consumer-centric organization would then develop a strategy that is not only aligned with your corporate objectives, but one that also focuses on return on investment (ROI).

Central to all this is engaging the support of your organization's leadership. The support needs to be

there at the chief executive office and senior management committee levels. This may be more easily achieved if you balance the short and long-term goals of your Web initiatives. The cornerstone for a customer-centric marketing strategy is primarily the understanding that the consumer is leveraging technology to research and buy travel and live a more exciting and convenient life, BUT that the execution of the strategy has very little to do with technology but with marketing itself. Tomorrow's (and probably today's) travel and tourism marketer understands technology.

At the CTC, we have been in the process of launching a new brand. As we go to the industry we might hear: "You know, this is all great, but I need to fill my hotel rooms today. I need to bring people into my town today. I can't wait two years." This is a valid concern that must be recognized. These people are running businesses and feeding their families and paying their employees, so they are not going to tell you, "I don't need to eat for the next two years because we are launching a brand." However, building the foundation of the promise to consumers is vital for the long-term success of Canada as a destination, and especially for the smaller businesses. The *Canada: Keep Exploring* brand will be that important cornerstone, and only when the entire industry embraces it – online and offline – will it strengthen Canada's competitive position and its ability to break through the global clutter of tourism messages.

At the CTC we don't – and won't – have a booking engine on our website; it's not aligned to our mandate of inspiring people to visit Canada and connecting consumers with industry. But we are planning to create a tourism marketplace, a directory and merchandising tool which will act like a broker between the consumer and the supplier to really direct the traveller to the right travel supplier. If we don't offer experiences and compelling content, and if we don't interact with customers and let customers interact with themselves, we are not relevant. If we are not relevant, we are not consumer-centric.

And if we are not consumer-centric nobody is going to use us, and if that happens we are basically out of business. **7**

Brand Canada moves forward

by Gisèle Danis

The true test of a brand's power is whether people can embrace the idea of the brand without ever actually "seeing" it. And we're thrilled that over the past 18 months, while we at the Canadian Tourism Commission (CTC) have worked to refine the visual identity of the brand, our partners in the industry have been enthusiastically supportive of the Brand Canada. *Keep Exploring* and all that it means has struck a real chord with the travel industry and consumers alike. Your involvement and input to the brand process has been invaluable – and your patience in understanding that we are determined to get this right rather than rush to market with an inferior product, is greatly appreciated.

Over the past two months, the CTC has been on the road meeting with hundreds of our partners. Along with a review of our 2007 marketing plans, we have been pleased to share with the industry a sneak peak at the new look and feel of Brand Canada, and we are again very encouraged by the industry's response.

The most important departure from previous campaigns is a shift from focusing on the physical attributes of Canada to presenting a much more emotive idea of the consumer's travel experience in Canada. Gone are the sweeping "national geographic" shots of Canada's great outdoors in favour of more intimate portrayals of people enjoying the experience of a Canadian vacation. Canada's natural assets and its vibrant urban centres still figure prominently in the new visual approach, but the focus is now on the interaction between the visitor, the geography and the culture that combine to create great travel experiences.

In essence, the visual identity focuses on the real reason people choose to visit Canada: the diversity and quality of our product, combined with our welcoming and inclusive culture, gives travellers the opportunity to create extra-ordinary stories all their own (see front page). This intimate portrayal of the Canadian travel experience creates a much more compelling picture of Canada and offers the opportunity to present the full spectrum of Canadian travel product.

Our visual identity also creates a consistent platform on which we present this picture. Here again, the focus is on the interaction between the traveller and the Canadian environment. A vibrant and contemporary colour palette has been created, drawing its inspiration from our spectacular natural environment, and the emotive personality of the different colours is reflective of the diversity of experiences found all across Canada (figure 1).

The visual identity plays off the world's image of Canada as a place of unspoiled natural wonders with a series of abstract hand drawn patterns of waves, leaves, pebbles and pine needles (figure 2); their quality is representative of the traveller's own organic experience. Another key component of the visual identity is the use of journal graphics – a series of cross-Canada adventures recorded as real journal entries with individual handwriting and sketches (see front page), adding a highly personal dimension to our communications.

And finally, we have refined the brand Canada logo to reflect a more simple and welcoming image of the maple leaf. Along with the new image, we have incorporated the words *Keep Exploring*, introducing an informal font that is more in keeping with our friendly character (figure 3).

In combination, the result is an image of Canada that is modern, intimate and engaging. Importantly, the visual identity offers both a consistent "face" of Brand Canada and a world of flexibility to capture the diversity of our country as a travel destination. The new look and feel will help to leverage our various touch-points with consumers and the trade across all markets. From trade show booths to special events and advertising, the visual identity will create an "ownable" and recognizable image for Brand Canada.

We have already received numerous inquiries from partners who want to put some or all of the visual identity elements to work in their programs. Standard guidelines and all the tools you

need to work with the elements will be made available shortly on our extranet; ultimately, it is up to individual partners to decide how and if they want to incorporate some or all of the visual identity elements. While Brand Canada provides a valuable framework through which to amplify our collective voices, it is vital that all partners continue to focus on the unique aspects that define their individual brands.

We welcome your thoughts and comments on the new visual identity, but most importantly we would love to hear ideas regarding the **experiences** you would like to see communicated in our campaigns as this will truly help us differentiate Canada from the competition. Your voice is vital in bringing to life the human experience of Canada and helping us to convey the magical stories of Canadian travel that rarely make their way into guide-books.

The new brand will be launched on January 15, 2007.

Gisèle Danis is executive director, Brand Integration, at the CTC. **T**

figure 1

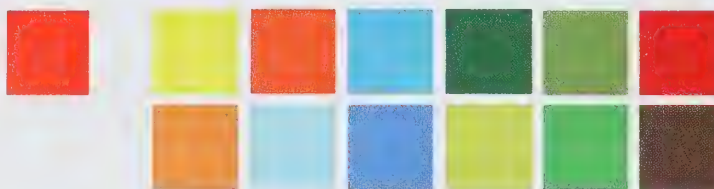


figure 2



figure 3



Develop a strategy of Olympic proportions

John Morse has had a highly successful career in tourism marketing. He was managing director of the Australian Tourist Commission (ATC) during the launch of Brand Australia through a \$150 million global campaign in 1999. He spearheaded a five-year strategy to use the 2000 Olympic Games to build Australia's tourism industry, a strategy which was endorsed by the International Olympic Committee (IOC). He lives in Sydney and works as a consultant to the tourism industry.

TOURISM: *How did you make the Sydney Olympics become the Australian Olympics, right from the start?*

As head of the ATC at the time, we felt the Sydney Olympics should be owned by, and provide a vision for, the whole country. We could never have achieved that without the support of the Sydney organizing committee (right from the CEO on down through the organization) and from the politicians as well. At the political level, of course, it helped our case that there was both federal funding and state funding involved.

Many cities that have hosted the Olympics – and the Atlanta games in the US was a classic example – really focused on the local area. But even so, the benefit is there for the taking at a national level, and it becomes a symbol for the benefits of partnerships. We had to go to them very early on in the piece and make our case that we in the tourism industry wanted to use the Olympics to benefit tourism for the whole country.

Many cities that have hosted the Olympics – and the Atlanta games in the US was a classic example – really focused on the local area. But even so, the benefit is there for the taking at a national level, and it becomes a symbol for the benefits of partnerships.

At first, there was some degree of suspicion; after all, any organizing committee sees its primary role as putting on the best Olympics that have ever been held. We had put together a strategy to deal with this reality, and we had also gone to the IOC and spoken with their marketing chief to outline our overall strategy. The IOC said this had never been done before, but they soon became very supportive.

John Furlong's vision for an Olympic Games that are not just for Whistler and Vancouver, but for all of Canada, is incredibly powerful and incredibly important.

TOURISM: *How far out do the (other) DMOs and industry need to start positioning themselves to be part of this?*

Yesterday.

We started planning for the Olympics from the day the bid was won, seven years out. We developed a strategy five years out, which we actually threw out and started all over again after what we saw happen at Atlanta. We went into top gear four years out, which is about where Canada is now, and my very strong message to the tourism industry in Canada is that it is truly "time to put your skates on"! The Olympics is all about relationship building, and you have a limited window of opportunity. This opportunity is for the long term, but you have to start building those relationships right now; it takes time to build trust with global sponsors, with the media, the IOC, and all the organizations that will be involved with the Games.

It is never too early to start working on it. The four years between the Torino Games and Vancouver will go very quickly!

TOURISM: *Australia began a branding exercise in the period leading up to Sydney. I assume the Games played a big role in accelerating brand recognition... could you comment?*

The branding opportunity was a great one, and we launched the concept of Brand Australia two years out. All our research had shown that the image of Australia around the world was very positive, but it was one-dimensional; people saw us as a friendly country and a country of great natural beauty,

but there was no depth beyond that. (I sense this is a very similar situation to Canada's.)

So what we wanted to do was to use the Olympic Games to build a whole new set of dimensions for how people saw Australia. These dimensions were about food and wine, about art, about Aboriginal culture, creative excellence, technology, architecture, and so on. From all the post-Olympic research, it appears we were largely successful, but I feel we didn't capitalize on it as a country, as much as we should have.

TOURISM: *How does one "get at" the media to influence messages about the national character of the event, rather than just the Olympic city?*

There are four key groups (what I call the key stakeholders or partners). One group is the "Olympic Family", which includes the organizing committee, the IOC, national Olympic committees and all those that have a role in putting on the Games. The second group is made up of the sponsors of the Olympics – top sponsors as well as local sponsors. The third group is the media, and the fourth, of course, is the tourism industry itself.

Media can make or break a Games, and Atlanta is an example (of how the media can hurt the event). We put a lot of effort into building relationships with media around the world, both the accredited media (accredited by the Olympic organizers) and – just as importantly – the non-accredited media.

In fact, it was the non-accredited media in Atlanta who really created a lot of damage. There are thousands of journalists and TV crews who go to the Games but don't have the rights to cover the sporting events, so they are looking for *other* stories. Of course, if they don't come out with good *positive* stories, then they'll look for lots of *negative* stories!

It is crucial that there is a very detailed and highly organized strategy to work with the media, and that should be going on now. For example, to build a relationship with NBC television network, I considered it important enough that I travelled to meet with their top people twice a year, from as early as three years out. We also established a reception centre in Sydney for the non-accredited media, where we made sure the journalists not covering the sporting events themselves were fed lots of good stories about all the different aspects of Australia we wanted to promote.

TOURISM: *Are there pitfalls we need to be aware of, mistakes you have made that we could avoid? Are we on the right track here in Canada?*

You must do everything in your power to get the media onside. And a key issue that will arise later on in the process is that there will be hundreds of organizations coming out of the woodwork, saying they have an Olympic role to play. So staying focused will be incredibly hard, and tourism can play a very important part in supporting the organizing committee in their own unique and special task, which is to put on the Games. Everything we in tourism could do to make the committee's job easier – by handling media inquiries, making presentations at global sponsorship conferences, and so on – was very much welcome.

Tourism can be incredibly useful to the whole Olympic experience, and everything I have heard suggests you are definitely on the right track to make it work for tourism in 2010 and beyond.

TOURISM: *We have heard people say the benefits of hosting a monster international event such as the Olympics come after the event is over. Is this a fair comment?*

The Olympics is many things: the greatest sporting event in the world, the biggest convention in the world, the biggest incentive travel event, the greatest gathering of humanity anywhere on the planet. That's the framework from which you start, and what you do as a country before the Games, how you perform during the Games, and what you do after the Games require three critical – but quite different – strategies. My advice to Canada is that what you do after the Olympics is more important than anything else. You have to have strategies that stretch beyond the Olympics.

TOURISM: *Thank you!* 7

“How was your summer?”

The question is heard everywhere in this broad land of ours, and while some of our responses talk about a satisfactory – or better – season, confidence is not running high across the nation. Here is our opinion roundup from tourism industry stakeholders across Canada:

Dave Seabrook, manager at Fredericton Tourism, expresses it succinctly: “It has been a mixed bag this year. It certainly started slowly; we had poor weather. The gas prices and the exchange rate had an effect on some of our American business. (Obviously, the Americans still considering themselves at war was a factor, too.) July was poor; in August we saw some improvements, and September was very good.”

For **Mélissa Corriveau**, product director at Groupe Voyages Québec in Québec City, it has been another exceptional season for the third consecutive year. “All our forecasts have been reached. Because we focus on domestic motorcoach travel to Canada and the US, we did very well. We have witnessed a decline in maritime products (New Brunswick, Nova Scotia and Magdalen Islands). However, our Newfoundland product remained popular. There was also increased demand for Ontario and US products because of the value of the dollar. As for Western Canada, we usually send 8 to 10 coaches, and we have maintained that.”

Strength in NL

Reached just as she was analyzing the tourism performance indicators for the Colony of Avalon south of St. John's, **Charlotte Jewczyk** (manager of market development at tourism Newfoundland and Labrador) was equally optimistic: “Visitation is up 20% there, which is very good. Overall air travel volumes remain strong for the province. They are up 8%, and non-resident air visitors for the first two quarters were estimated to be up by about 15% in Newfoundland and Labrador. This speaks mostly to the ‘off-the-beaten-track’ exotic character. Our group travel from the US has not declined, where in other areas of Canada that has

been more of a concern. We are experiencing smaller numbers but our growth patterns have been consistently building.”

At the Memramcook Learning and Vacation Resort in New Brunswick, general manager **Susan LeBlanc-Robichaud** found solace in diversification. “We are open all year-round. We have a complete health centre with massage therapists and beauticians. We have a language school under our roof, and we do weddings (over 70 this year). If we look at the tourism side, we have experienced a slight decrease over the last three years, and we are among the lucky ones. Many of us are facing potential closures.”

At the Comfort Hotel Downtown in Toronto, sales coordinator **Samantha Carefoot** explains that business was sluggish in June and July with group cancellations, but they improved later on: “Once we got into the end of summer, it was absolutely amazing! It was more last minute than normal. My point of origin is mostly UK bookings and I have a large sector in the Mexican Market.”

The independent travel trend

For **Celes Davar**, president of Earth Rhythms in Onanole, Manitoba, it has been a good summer. “We are witnessing a trend toward people making their own travel arrangements. They are looking to put together things that are quite unique and different, travelling in small groups and finding ways to access information via internet, or through direct contact through travel distribution partners. It has been emerging for some time; we are witnessing this probably through the last two to three years.”

On the agritourism side in British Columbia, **Brent Warner**, an industry and direct marketing specialist with the provincial government, experienced a real boom: “Our summer was huge. Our weather was absolutely unbelievable. It was one of the longest summers I have ever seen. Therefore we had a lot of people out visiting and they were going to farm events and farm stands. I don't think I have talked to an operator yet whose sales

aren't up by at least 30%. And it's not over; October is one of our biggest months in agricultural tourism – fall events such as pumpkin festivals and apple events are shaping up to be fairly good.”

Jack Klassen of Victoire, Saskatchewan, owns and operates the Carlton Trail Guest Ranch. He knew this wouldn't be an ordinary year: “It turned out to be a good summer, but a different summer; and we certainly had to retool and adjust to what was happening from a global picture. By late winter we recognized that German-speaking Europe was simply not going to be attending in the numbers that we had previously. To fill that void, we decided to reach out into the Alberta market.”

Better than expected

From the RV rentals perspective, **Bernie Lehman** of Fraserway in Vancouver feels the summer was a little bit better than expected. “We expected a bit of a downturn compared to last year, simply because when our contract was made for 2006, the Canadian dollar was still weak, and as we went on, the Canadian dollar strengthened (compared to 2005), the World Cup of Soccer was staged in June in Europe (where our biggest market is), and we saw very high fuel prices. Despite these three major factors, we did quite well.”

Lehman confides that Fraserway's best performance was in Whitehorse. “Yukon and Alaska have worked very well. There are several factors: travellers to the north are less price-sensitive; they are looking for the last frontier, and sometimes it is the trip of a lifetime for them. And from Europe, the good air access (two flights a week with Condor from Frankfurt to Whitehorse) certainly helped!”

On Vancouver Island, Sooke Harbour House's, co-owner **Sinclair Philip** was left a bit puzzled by performance at his and other comparable establishments; “It is kind of odd because we see so many different numbers from various people that don't make sense when you talk to the individual business owners, and there is a lot of confusion about what is going on out there. This

summer was weak. In 2003, we had an all-time historic high, with 59% of our clientele from the US. In 2004, 55%; in 2005, 46%; and in 2006, 34% to date.

“I have talked to others at a property that is similar to ours but in a different part of the province. In 2003, they had been involved in an expansion; their American clientele was 49%. In 2004, it is 36%; in 2005, 32%; and in 2006, 30%. Other people in the industry (although publicly they are putting on a smile) are telling me they are experiencing very similar kinds of things.”

Despite not having increased his rates in three years, Philip experienced decreased volumes. “Last year we started running specials which were 20% lower than our normal rates and we have been doing that regularly since. One of the biggest changes, with fewer Americans coming, is that people not very long ago would ask you for ‘your best room’ for a birthday, an anniversary, a special occasion, and would frequently buy an expensive bottle of wine. Now they want the cheapest room (and that is partially because of the lack of American demand or demand in general) and they want a cheap bottle of wine!”

Despite a generally pretty decent summer – due in many cases as much to excellent weather as excellent markets – there seems to be a pervasive nervousness in Canada's tourism industry. As Sinclair Philip puts it, he believes the cumulative downturn of business over the last four years is starting to frighten some of the industry owners. “Last year, I had to speak on predicted changes over the next five years in culinary tourism and tourism in general in Canada and I thought ‘how am I going to do this?’ I don't have a statistical or research team. I asked a number of people I knew in the tourism industry across Canada from New Brunswick, Nova Scotia, and from practically every province. I phoned them and they told me across the board: ‘we are not making any changes at all. We are just battening down the hatches because we don't know what to expect over the next 5 years.’ So we are not making any dramatic changes.” 7

Tourism minister takes his portfolio seriously

Philip Brown is the Minister of Tourism for the Government of Prince Edward Island. With an extensive background in agriculture, Brown served in a number of capacities including both executive director and president of the PEI Federation of Agriculture. He has been a member of the PEI Legislative Assembly since 2000, and has been tourism minister since October 2003. In October 2006, Minister Brown attended the Tourism Industry Association of Canada's Leadership Summit in Jasper, Alberta, along with a delegation of business and departmental representatives. TOURISM spoke with the Minister following the conference:

TOURISM: You took the time from a busy ministerial schedule to attend a three-day national tourism conference, a very long way from home. Frankly, we are used to – sometimes – seeing a minister from a host province put in an hour or two to welcome delegates, but seldom if ever take in any of the sessions. You attended most, if not all, of them; why?

Brown: I have had three years in this portfolio, and I have heard how difficult, and important, it is to build the awareness of tourism within government policies. When governments create transportation policy, or aviation policy, or infrastructure development, they impact tourism but the same consideration of tourism is not always given in the decision-making process. (After all) if you were working on telecommunications policy you would consider how it was going to impact everything along the way – the carrier, the phone company, the utility – you would work with them. We find that tourism is impacted by decision-making outside of our direct sphere. In PEI, one of my main goals has been to have my cabinet colleagues consider the impact their decisions will have on tourism.

I have also heard, through reading your publication and through others in the industry, that this is a (universal) concern. Perhaps my contribution is trying to fix this, one minister at a time! Talking to (TIAC president and CEO) Randy Williams, issues like the Western Hemisphere Travel Initiative and the GST/HST visitor rebate program are critical issues, and I felt the only way I could really understand the position of the industry Canada-wide was to attend the conference.

TOURISM: Your province has three major economic drivers, of which tourism is one, right up there with agriculture and fisheries?

Brown: Yes. Certainly we are building other sectors like bio-science and aerospace, but they are still further down the list than those three. In our department, we view tourism as the one with the greatest potential to increase. We know it is growing throughout the world, and we see the opportunities.

One of the things I learned, largely through my involvement with the PEI Federation of Agriculture in fact, is the value and importance of industry input. When you have good solid industry input, it's the best way to create good solid public policy. Consequently, in our department we work very hard to have a strong relationship with the tourism industry. I have created a tourism advisory council, co-chaired by two industry people, and the council advises the department as well as the rest of government on industry concerns.

TOURISM: When you come to the cabinet table, do you find it really beneficial to have attended events such as the Tourism Leadership Summit in Jasper?

Brown: No question at all. When I brief my government colleagues, to have been there, sitting through presentations like the one from the Conference Board of Canada, the ones on labour issues, passports, airports, and the need for government investment in tourism marketing, to be able to say "this is why this is a good deal, and the returns will be there," is very important. It is one thing to read the evaluations of meetings like this, but you can't get the sense of why people said what they did, the passion, the significance of the issues, without being there within the environment of the conference.

TOURISM: Let's talk a bit about the oft-discussed but slow-to-be-moved-upon National Tourism Strategy.

Brown: We need to have a national tourism strategy. This goes back to our discussion earlier about government needing to make decisions with all the facts at hand, knowing how decisions impact all the players.

For example (using an example from agriculture) when something like the BSE crisis hits the beef industry, the Canadian Food Inspection Agency comes in and makes evaluations based on a code. Now that was about the movement of food; we are talking

about the movement of people. So when governments make policy decisions that impact tourism, they don't have a national tourism strategy (or code) to which they can refer to understand what the impacts might be.

This is a big problem. And, just in the time I have been Minister, we have been impacted more by international issues than we have ever seen before. Provinces tend to be strong on tourism – relative to its place in their economy of course – but at the federal level the industry is poorly understood. If you look at the big issues we talk about now, even at the provincial level, like SARS, 9/11, the value of our currency, passport restrictions in the US, the visitor rebate program – these are all national programs, so absolutely we need a national strategy.

If we were talking only about domestic tourism, between provinces, we (in the provinces) could probably deal with this on our own, but we are talking about Canada's place in an international industry, so we need to know where we sit. We are being impacted by things that are happening globally, so we need a national policy point – a positioning document – to work with.

TOURISM: What would you say to those in the industry who say we don't need a national strategy, we need to make specific plans and take them forward to deal with these important issues?

Brown: I have the benefit of having been in this portfolio for a little while, and I have come to realize that – whether it's SARS or any other issue of the day – you have to have a strategy in place to deal with the issue *when it happens* (to understand) how this is going to impact the industry.

That's what we *don't* have, and that's where I see the importance of this issue. Other international destinations have this in place. Governments in countries that rely heavily on tourism have made sure they have strategies in place to lessen the impact of disasters; the quick response of tourism-dependent countries in South Asia that were hit by that devastating tsunami is a case in point.

In Canada now, it seems the impact on tourism is almost an afterthought, coming after all the other concerns are addressed, if at all. By creating a national tourism strategy, we can push tourism up on the radar of our decision-makers, saying "you have to take this into account, because this is indeed an important industry".

TOURISM: So that's why you were at the TIAC conference! Thank you, Minister. **T**



Canada leads the way forward for .travel

The Canadian Tourism Commission (CTC) is leading the way in establishing the "dot travel" internet domain as the place to be on the world wide web for tourism destinations and businesses. The CTC has registered hundreds of domain names with .travel extensions for Canada's provinces, major cities and other destinations; the goal is to have every Canadian destination registered to enable easy, intuitive searches for potential customers interested in traveling to our country. In addition, the CTC has consolidated its 48 global websites under a single www.canada.travel internet portal.

There is an obvious benefit for customers of being able to use an intuitive tourism-specific domain name system to research and book travel, not the least of which is being able to reduce the clutter and confusion that results from the usual ".com" searches. But there is more: as Tralliance Corporation president Ron Andruff points out, all destinations and businesses registered with .travel domains will form part of an online directory which can be used by consumers to easily and intuitively "drill down" by experience or

service offered, and later refine their search by destination.

There is an obvious benefit for customers of being able to use an intuitive tourism-specific domain name system to research and book travel

The system for getting your business registered is a simple one for the Canadian tourism industry, thanks to this leadership from the CTC, the Tourism Industry Association of Canada (TIAC), the Hotel Association of Canada (HAC) and the Association of Canadian Travel Agencies (ACTA). TIAC, HAC and ACTA serve as clearing houses to authenticate businesses or organizations wishing to register in Canada. The three-step sign-up process is as follows:

1. All registrants must have their eligibility approved as a bona fide travel and hospitality provider by a verified industry association (HAC, TIAC or ACTA in Canada) or an independent third party. Go to: <http://travel.travel/authenticationframe.htm>.
2. Once your eligibility is confirmed, you will be sent a Unique

Identification Number (UIN) as proof of eligibility. You will next go to a .travel-approved registrar (go to: www.travel.travel/dnr.htm) and by entering your UIN where noted, you will be permitted to register your domain name(s).

3. Last – but not least – you will want to establish your profile in the .travel Directory to be sure your products and services can be found in the www.directory.travel global marketplace and appear in the search results at www.search.travel. To enter this information, visit: <http://profiles.search.travel>.

Jens Thraenhart, executive director, marketing strategy and customer relationship management at the CTC, notes that simply "pointing" your new .travel domain name at your already-existing website may be an appropriate interim step in your new web strategy, but it is a short-term measure at best; hosting the .travel site as your main website adds value, including the ability to use .travel email addresses.

The cost of registering your new .travel domain is somewhat higher than for a .com address (\$100 US through TIAC's preferred registrar, https://www.namesbeyond.ca/cgi-bin/travel/prereg_tiac01) but one should bear in mind the benefits included (especially the searchable directory and the strong profile being built for Canada as a destination). **7**

Tourism

The *TOURISM* family of publications is published by the Canadian Tourism Commission in co-operation with the Canadian tourism industry.

TOURISM Daily is distributed via e-mail.

TOURISM Online is published monthly. It is a compendium of news, opinion, research information on trends and opportunities, markets, and new developments in the tourism industry.

TOURISM, Canada's tourism business magazine, a bi-monthly business-to-business publication, is distributed free of charge to the tourism industry by Canada Post.

Publisher and Managing Editor

Ghislain Gaudreault
604-638-8342
gaudreault.ghislain@ctc-cct.ca

Editor

Peter G. Kingsmill
306-549-2258
kingsmill.peter@ctc-cct.ca

Associate Editor

Claude-Jean Harel
306-569-1571
harel.claude-jean@ctc-cct.ca

Design

Accurate Design & Communication Inc.
Tel.: 613-723-2057 www.myaccurate.com

Printer

FND Graphics Inc.
Tel.: 613-738-1039 www.fndgraphics.ca

How to subscribe: Send your name, address, organization, language preference and e-mail address to: tourism@ctc-cct.ca. If you wish your tourism association or staff to receive *TOURISM*, contact 604-638-8407.

Votre copie française de *TOURISME* est disponible en composant le : 604-638-8407

The views and opinions expressed in *TOURISM* are those of the authors and not necessarily those of *TOURISM* or the Canadian Tourism Commission.

Canadian publications mail product sales agreement number 40659111

If undeliverable, return to:

Canadian Tourism Commission
Suite 1400, Four Bental Centre
1055 Dunsmuir Street
PO Box 49230
Vancouver, BC V7X 1L2

People

Alyre Jomphe: director general, Tourisme Charlevoix... **Andrew Jones:** president, Sea Kayak Guides Alliance of BC... **Jon Mamela:** director, product and service strategy, Fairmont Hotels & Resorts... **Margaret Koshinsky:** manager, marketing and communications, Fast Air Executive Aviation Services, Winnipeg... **Daphne Swenerton:** director of spa operations, Vintage Hotels, Niagara-on-the-Lake... **Johanne Gallant:** chair, Canada Committee, CTC... **Ken Lambert:** chair, Tourism Industry Association of Canada (Lambert is vice-president, sales and marketing at Delta Hotels & Resorts)... **Christopher Jones:** vice-president, public affairs, Tourism Industry Association of Canada.

Deb Fletcher: manager, consulting services and human resources, Ontario Tourism Education Corporation, and Customer Service Excellence...

Melissa Hoffer: marketing communications associate, Days Inns – Canada... **Tim Oldfield:** managing director of franchisee performance; **Julie Chan-McConnell:** director of marketing; **Julie Leish:** director of sales; all at Choice Hotels Canada... **Jeff Doane:** vice president, hotel sales, Fairmont Hotels & Resorts... **Paul Martin:** general manager, Park Plaza Toronto Airport Hotel.

Bruce MacMillan: president and CEO, Meeting Professionals International (Dallas)... **Sylvie M.D. Guilbert:** director, legal services, CTC head office... **Rachel Koller:** senior director, sales and marketing; **Genevieve Rydell:** national sales manager; **Holly Peterson:** marketing manager; at CHIP Hospitality... **Patrick McCleery:** sales manager, Asia, and **Monica**

Leeck: director, Whistler Mountaineer local market sales, for Rocky Mountaineer Vacations.

Bruce Okabe: member, board of directors, CTC (public sector representative for BC and Yukon).

Minister announces new CTC board members

The Honourable Maxime Bernier, Minister responsible for the Canadian Tourism Commission (CTC), has appointed **Gina Hodge-Noordhof** and **David Lindsay** to the CTC board of directors. Hodge-Noordhof is the owner of the Norseman Restaurant and Gaia Art Gallery in L'Anse aux Meadows, Newfoundland and Labrador. Lindsay is currently deputy minister of tourism for Ontario, prior to which he was president and CEO of the Association of Colleges of Applied Arts and Technology of Ontario. **7**

CANADIAN
TOURISM
COMMISSION



COMMISSION
CANADIENNE
DU TOURISME